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UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF CALIFORNIA

In re:
 SALMA H. AGHA,
 Debtor.

Case No. 10-16183-A-7

Chapter 7

DC No. [none identified in moving documents]

**EXHIBITS TO DECLARATIONS
 OF LISA HOLDER AND CONNIE
 M. PARKER IN SUPPORT OF
 CHAPTER 7 TRUSTEE JEFFREY
 VETTER'S AND HIS ATTORNEYS'
 OPPOSITION TO DEBTOR'S
 REQUEST TO BRING LEGAL
 ACTION AGAINST TRUSTEE AND
 HIS COUNSEL**

Date: February 5, 2015
 Time: 9:00 a.m.
 Place: U.S. Bankruptcy Court
 1300 18th Street, Ste. A
 Bakersfield, California
 Judge: Hon. W. Richard Lee

EXHIBIT	DESCRIPTION	PAGE NOS.
A	11/08/12 Declaration of Lisa Holder in Support of Application for Order Authorizing Trustee to Employ Attorneys Effective September 13, 2012	3-5
B	01/02/13 Supplemental Declaration of Lisa Holder Regarding Order Authorizing Trustee to Employ Attorneys Effective September 13, 2012	6-8

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EXHIBIT	DESCRIPTION	PAGE NOS.
C	02/18/13 Motion to Employ Lisa Holder as Attorney, Continued Motion to Sell	9-47
D	01/23/13 Civil Minutes	48
E	09/12/14 First Page to Second Amended Complaint	49

Dated: January 22, 2015

KLEIN, DeNATALE, GOLDNER,
COOPER, ROSENLIB & KIMBALL, LLP

By /s/ Connie M. Parker
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Proposed Attorneys for Jeffrey M. Vetter, Chapter 7 Trustee

**UNITED STATES BANKRUPTCY COURT
 EASTERN DISTRICT OF CALIFORNIA**

In re:

SALMA H. AGHA,
 Debtor.

Case No. 10-16183-A-7

Chapter 7

DC No. KDG-1

**DECLARATION OF LISA HOLDER IN
 SUPPORT OF APPLICATION FOR
 ORDER AUTHORIZING TRUSTEE TO
 EMPLOY ATTORNEYS EFFECTIVE
 SEPTEMBER 13, 2012**

Date: N/A
 Time: N/A
 Place: U.S. Bankruptcy Court
 1300 18th Street, Ste. A
 Bakersfield, California
 Judge: Hon. Fredrick A. Clement

I, Lisa Holder, declare:

1. I am an attorney duly admitted to practice law before the courts of the State of California and the United States District Court for the Eastern District of California.

2. I am a partner in the law firm of Klein, DeNatale, Goldner, Cooper, Rosenlieb & Kimball, LLP ("Klein, DeNatale"). Jeffrey Vetter, Chapter 7 Trustee, seeks to employ Klein, DeNatale in the case filed by Salma H. Agha ("Debtor") by the *Application of Trustee for Order Authorizing Employment of Attorneys Effective September 13, 2012* ("Application").

3. This declaration is the verified statement required by Bankruptcy Rule 2014(a).

4. Klein, DeNatale has not served as an examiner in Debtor's case.

Exhibit

Page

A

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KLEIN, DENATALE, GOLDNER,
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BAKERSFIELD, CALIFORNIA 93309

1 5. Under Bankruptcy Rule 5002, neither I, nor any attorney at Klein, DeNatale to
2 the best of my knowledge, is a relative of the bankruptcy judge considering approval of Klein,
3 DeNatale's employment.

4 6. I am one of the custodians of the books, records, and files of Klein, DeNatale
5 that pertain to the identity of current and former clients of Klein, DeNatale. I know that Klein,
6 DeNatale maintains a system to discover potential conflicts of interest between clients and
7 others, and prepared a conflict of interest report regarding this case.

8 7. I reviewed the conflict of interest report prepared by Klein, DeNatale, and
9 determined that Klein, DeNatale does not hold or represent any interest adverse to the
10 bankruptcy estate, and Klein, DeNatale is a disinterested person as defined in 11 U.S.C.
11 Section 101(14). Any connections that Klein, DeNatale has with Debtor, her creditors, parties
12 in interest, their attorneys and/or accountants, the United States Trustee, or any person
13 employed in the Office of the United States Trustee are disclosed in Exhibit "A," attached.

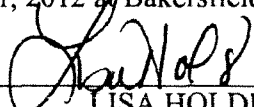
14 8. Klein, DeNatale has extensive experience in bankruptcy, insolvency, corporate
15 reorganization, and Debtor/Creditor law. Klein, DeNatale is qualified to represent the Trustee
16 and is willing to accept employment on the basis set forth in the Application.

17 9. I first consulted with Jeffrey Vetter regarding the case on September 13, 2012.
18 I analyzed many documents, including deposition transcripts and bankruptcy court records, to
19 assist Mr. Vetter to determine if there was an asset that should be liquidated for the benefit of
20 creditors. Mr. Vetter has determined there is an asset to liquidate. Klein, DeNatale is seeking
21 to be employed effective the date we began working on the case, so that Klein, DeNatale can
22 be compensated for its work, if the court finds it is appropriate, upon further application.

23 10. The above statements are within my personal knowledge and I can testify
24 competently regarding these statements if called as a witness.

25 I declare under the penalty of perjury under the laws of the State of California and of
26 the United States that the foregoing is true and correct.

27 Executed this 8th day of November, 2012 at Bakersfield, California.

28 
LISA HOLDER

**EXHIBIT A TO DECLARATION OF LISA HOLDER IN SUPPORT OF
APPLICATION FOR ORDER AUTHORIZING EMPLOYMENT OF ATTORNEYS
FILED BY JEFFREY VETTER, CHAPTER 7 TRUSTEE**

Connections

a. **Connections with Parties-in-Interest:** Other than working with the Trustee in connection with this proceeding and other matters unrelated to Debtor, there have been no connections with the Trustee or Debtor.

b. **Connections with Creditors:** A review of the list of creditors does not show any connection with any of the creditors listed by Debtor, except that Klein, DeNatale previously represented the following entities in general business and/or litigation matters unrelated to Debtor. However, Klein, DeNatale does not and has not represented the below entities in any matters associated with Debtor.

- i. Citibank; and
- ii. Commercial Trade Bureau.

c. **Attorneys:** There are no known connections to attorneys presently involved in the case.

d. **Accountants:** There are no known connections to accountants presently involved in the case.

e. **United States Trustee:** Other than working with the United States Trustee and person employed by the Office of the United States Trustee in connection with this proceeding and other matters unrelated to Debtor, and socializing with the United States Trustee and person employed by the Office of the United States Trustee at court- and bankruptcy-association-sponsored functions, there are no known connections to the United States Trustee, or any person employed by the Office of the United States Trustee.

f. **Bankruptcy Judge:** Other than appearing before the judge, and working with persons employed by the court, in connection with this proceeding and other matters unrelated to Debtor, and socializing with the judge and person employed by the court at court- and bankruptcy-association-sponsored functions, there are no known connections to the bankruptcy judge, or any person employed by the court.

g. Except as set forth in this Exhibit "A", there are no other known connections with Debtor, her creditors or any other party in interest, their respective attorneys and accountants, the Judge appointed to Debtor's case, the United States Trustee, or any person employed by the Office of the United States Trustee or the court.

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UNITED STATES BANKRUPTCY COURT
 EASTERN DISTRICT OF CALIFORNIA

In re:

SALMA H. AGHA,
 Debtor.

Case No. 10-16183-A-7

Chapter 7

DC No. KDG-1

**SUPPLEMENTAL DECLARATION OF
 LISA HOLDER REGARDING ORDER
 AUTHORIZING TRUSTEE TO EMPLOY
 ATTORNEYS EFFECTIVE SEPTEMBER
 13, 2012**

Date: N/A
 Time: N/A
 Place: U.S. Bankruptcy Court
 1300 18th Street, Ste. A
 Bakersfield, California
 Judge: Hon. Fredrick A. Clement

I, Lisa Holder, declare:

1. This supplements my declaration filed on November 8, 2012, document number 73 on the docket. The Court entered an order authorizing Klein, DeNatale's employment as attorneys for the trustee on November 21, 2012, document number 77 on the docket.

2. On or about December 17, 2012, I received emails from Salma Agha's bankruptcy attorney, William Cummings, forwarded from Jeffrey Vetter, trustee, stating that Klein, DeNatale represented Salma Agha several years ago and that Klein, DeNatale has a conflict of interest in representing the trustee. My conflict check had not picked up prior representation of Dr. Agha.

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3. I ran a search in my conflicts system under the name "Salma Khan," which returned a result indicating that Klein, DeNatale represented Salma Khan in 2003-2004 in construction defect litigation. Dr. Agha sued the builder of her personal residence, and Klein, DeNatale represented her. Based on the information in the firm's system, Klein, DeNatale completed its representation of Dr. Agha in or about January 2005, so Dr. Agha is a former client. The specific attorney who represented Dr. Agha left the firm in or about May 2010.

4. Dr. Agha's petition did not disclose that she had used any other names during the eight years before the petition date. *See* page one of document number 1 on the Court's docket.

5. Under the California Rules of Professional Conduct, Rule 3-310(E), "A member shall not, without the informed written consent of the client or former client, accept employment adverse to the client or former client where, **by reason of the representation of the client or former client, the member has obtained confidential information material to the employment.**" *See* Rule 3-310(E), emphasis added.

6. Bankruptcy Rule 2014 requires an applicant to be employed by the trustee to provide a verified statement showing "all of the person's connections with the debtor . . ."

7. 11 U.S.C. § 327 provides that the trustee may employ an attorney that does not hold or represent and interest adverse to the estate, and that is disinterested, to represent the trustee in carrying out his duties.

8. Here, the firm represented Dr. Agha against the builder of her personal residence regarding construction defects at the residence. This representation began in 2003 and concluded eight or so years ago. I do not believe the firm obtained confidential information regarding Dr. Agha in her construction defects case material to the firm's employment by the trustee in her bankruptcy case almost eight years later.

9. I personally knew nothing regarding Dr. Agha other than the information I have obtained as attorney for the trustee, until alerted to the prior representation by Attorney Cummings. Then I briefly reviewed the firm's electronic record of its representation of Dr. Agha to determine the nature of the former representation. I reviewed the final settlement

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1 agreement related to the prior representation, a transmittal letter to Dr. Agha requesting that
2 she sign the agreement, and the dates the representation commenced and concluded, and the
3 firm's record of billings and payments received. In this review, I saw no confidential
4 information relative to my representation of the trustee in this matter.

5 10. For those reasons, I believe that the firm and I do not have confidential
6 information regarding Dr. Agha arising from the firm's prior representation of Dr. Agha
7 related to the firm's and my representation of the trustee in this case.

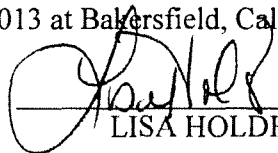
8 11. Because the firm's representation of Dr. Agha concluded some eight years
9 ago, the firm does not "hold or represent an interest adverse to the estate." The firm is
10 disinterested because it is not a creditor of Debtor and has no other relationship with Debtor.

11 12. My knowledge regarding Dr. Agha's file with the firm is based on my review
12 of her file as described above. The firm's file is its business record made at or near the time
13 of the events recorded by someone with personal knowledge of the events, was kept in the
14 course of the firm's regularly conducted business, and making the records is a regular
15 practice of the firm. For those reasons, this testimony is admissible under FRE 803(6).

16 13. The above statements are within my personal knowledge and I can testify
17 competently regarding these statements if called as a witness.

18 I declare under the penalty of perjury under the laws of the State of California and of
19 the United States that the foregoing is true and correct.

20 Executed this 2nd day of January, 2013 at Bakersfield, California.

21 
22 LISA HOLDER
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1 UNITED STATES BANKRUPTCY COURT
2 EASTERN DISTRICT OF CALIFORNIA
3 HON. FREDRICK E. CLEMENT, JUDGE
4

5 In the Matter of) Case No. 10-16183-A-7
6 SALMA AGHA,) KDG-1; KDG-2
7) Chapter 7
8 Debtor.) Motion to Employ
9) Lisa Holder as Attorney,
10 Continued Motion to Sell
11

12 Wednesday, January 23, 2013 Bakersfield, California
13
14

15 REPORTER'S TRANSCRIPT OF PROCEEDINGS
16
17
18
19
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21

22 Linda A. Gorman, RMR
23 C.S.R. License #12693
24
25

1 APPEARANCES OF COUNSEL:

2 For the Debtor: CUMMING & ASSOCIATES
3 3080 Bristol St., Ste. 630
4 Costa Mesa, CA 92626
5 BY: WILLIAM R. CUMMING

6 For BBG, Ltd.,
7 Interested Party: LAW OFFICE OF DAVID N. CHANDLER
8 1747 4th Street
9 Santa Rosa, CA 95404
10 BY: DAVID N. CHANDLER

11 For the Trustee,
12 the Moving Party: KLEIN, DeNATALE, GOLDNER,
13 COOPER, ROSENLIEB & KIMBALL, LLP
14 4550 California Avenue, 2nd Floor
15 Bakersfield, CA 93309
16 BY: LISA HOLDER

17 Also Present: Bruce Breitman
18 Jeffrey Vetter
19 Salma Agha
20
21
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1 Wednesday, January 23, 2013 Bakersfield, California

2 1:00 p.m. Calendar

3 THE COURT: Item No. 10. There are two matters in
4 this case. I'm going to call them in the order indicated on
5 the calendar.

6 As is my custom, when I have multiple matters, I'll
7 take all of the appearances on the front end. And if you
8 intend your appearance to be something less than on all
9 matters, you should so indicate at the time of the initial
10 appearance.

11 This is the matter of Salma Agha, 10-16183. The first
12 motion is a motion to employ Lisa Holder of Klein DeNatale as
13 attorney.

14 Are there appearances on this matter?

15 MS. HOLDER: Lisa Holder on behalf of the moving
16 party.

17 THE COURT: Ms. Holder, good afternoon.

18 Are there any --

19 MR. CUMMING: Good afternoon, Your Honor. Appearing
20 telephonically, William Cumming on behalf of the debtor, Salma
21 H. Agha.

22 THE COURT: Good afternoon.

23 Are there any other appearances?

24 THE DEBTOR: I'm Salma Agha.

25 THE COURT: Hello.

1 Mr. Cumming is your attorney?

2 THE DEBTOR: Yes, correct.

3 THE COURT: Mr. Cumming, you understand your client is
4 in the room?

5 MR. CUMMING: Yes, Your Honor.

6 THE COURT: Ms. Agha -- am I saying it right, "Agha"?

7 THE DEBTOR: "Agha."

8 THE COURT: Hi.

9 Since Mr. Cumming is your attorney, he gets to do the
10 talking today; but we, of course, welcome you. And you're
11 welcome to sit and to listen, to make notes of things you'd
12 like to speak to Mr. Cumming about after the hearing, so thank
13 you.

14 Any other appearances on this matter?

15 Is Mr. Chandler appearing?

16 MR. CHANDLER: Yes, Your Honor, David Chandler
17 appearing. I'm not appearing on the motion to employ
18 counsel.

19 THE COURT: Very well.

20 Any other appearances in any of the Agha matters?

21 No response to the call --

22 MR. BREITMAN: Yes, Your Honor, Bruce Breitman. I'm
23 here in the courtroom.

24 THE COURT: Okay. Can you step up to the podium so I
25 can get your name.

1 MR. BREITMAN: Yeah. Bruce Breitman,
2 B-R-E-I-T-M-A-N. I represent BBG, Limited. I'm not counsel.
3 I'm a party that's made a bid.

4 THE COURT: Mr. Chandler is your --

5 MR. BREITMAN: Mr. Chandler represents me.

6 THE COURT: And I will say the same thing to you as I
7 did to Ms. Agha.

8 Welcome, we're glad you're here, but Mr. Chandler gets
9 to do the talking. Do feel free to sit, to listen, to make
10 notes of things you'd like to speak to him about.

11 MR. BREITMAN: I'll do that.

12 THE COURT: Very well.

13 Any other appearances in any of these matters?

14 There is none.

15 With respect to the motion to employ Klein DeNatale,
16 the tentative is to grant.

17 Did anyone wish to speak in opposition?

18 I am hearing nothing.

19 The tentative will be the ruling, and the motion will
20 be granted.

21 MS. HOLDER: Thank you, Your Honor.

22 THE COURT: Thank you.

23 We'll take up the other matter involving Salma Agha,
24 and this is a continued motion to sell.

25 I do recall our first visit in this issue raising some

1 fascinating questions. We have had the opportunity to look in
2 that with a great deal more detail. I do want to thank each of
3 the parties for their thoughtful and articulate briefs on these
4 issues, somewhat difficult and esoteric.

5 I don't actually think I came down any different than
6 where I started, but I do appreciate your efforts to clarify.

7 Does anyone wish to speak -- before we actually call
8 the sale, should we do so, did anyone wish to speak in
9 opposition to the sale?

10 MR. CUMMING: Your Honor, this is Bill Cumming once
11 again, appearing telephonically.

12 I would like -- I did have an opportunity to review
13 the Court's tentative ruling and, with the Court's permission,
14 I would like to address a couple of issues.

15 THE COURT: That would be fine. Go ahead.

16 MR. CUMMING: Fantastic.

17 The first issue I'd like to address is with respect to
18 the scheduling of the lawsuit with respect to Bruce Breitman
19 and BBG, Ltd. The basic issue is whether the -- this specific
20 lawsuit was properly scheduled.

21 As set forth in the opposition papers, the general
22 standard that the court used -- or courts should use in looking
23 at this is that the scheduling of an asset has to be accurate
24 and complete and has to give the trustee notice of the
25 existence of the asset and the potential value of the asset so

1 the trustee has the opportunity to further investigate.

2 In this case, in Schedule B, and more specifically
3 item twenty-one, we identified a potential lawsuit against SF
4 Night Life. We identified the address in which the business
5 operated in. The initial value was fifty thousand dollars
6 because that was the amount at issue with respect to an escrow
7 account.

8 The Court's tentative ruling, my understanding of it,
9 states that the current lawsuit against Mr. Breitman and BBG
10 were different parties, a different potential lawsuit in
11 comparison to the SF lawsuit, and different rights sued upon.
12 I think taking perhaps a closer look at the facts, the Court
13 might reach a different conclusion, or perhaps give
14 consideration to our arguments.

15 And specifically, Your Honor, it's this. In the
16 papers that we've filed, I think we took a lot of time and
17 effort trying to identify specific testimony in the two
18 meetings of creditors that occurred between Mr. Vetter and the
19 client.

20 And just to briefly summarize that, Your Honor, the
21 moving papers -- or the document that we filed identified the
22 fact that Vodka from Around the World decided to invest into
23 this business. My client owned approximately seventy percent
24 of that. An asset purchase agreement was entered into to
25 essentially use this facility. There was a problem with the

1 lease. And it's my client's contention that there were
2 misrepresentations regarding the lease, and she intended to sue
3 SF Night Life because that was the party.

4 But I think the important thing, Your Honor, that
5 perhaps wasn't focused on, at least in the tentative ruling, is
6 that it was very clear in the meeting of creditors that Ms. --
7 or Dr. Agha was going to maintain a suit against SF Night Life
8 and its principals, which opened the door to those individuals
9 who were associated with or affiliated with SF Night Life.

10 The trustee asked about the principals but never got
11 details about names and those types of things. Mr. Breitman
12 and BBG fell into the category of those principals because --
13 he was ultimately involved in this transaction because the
14 whole purpose of this lawsuit related to one overriding thing,
15 and that was events and transactions that related to the
16 purchase of this building.

17 And when Dr. Agha said she was going to bring a
18 lawsuit against SF and the principals relating to this
19 transaction, that had to have included BBG and Breitman because
20 those were individuals that were part of the transaction.

21 So I think we take a different look about whether BBG
22 and Breitman were different parties or different potential
23 lawsuits or different rights being sued upon. Knowing that the
24 debtor identified additional principals that be a part of this
25 lawsuit, I think that would encompass that.

1 And whether the trustee decided to find out the names
2 and other relevant information about the principals, that was a
3 decision that he could have pursued, but ultimately he didn't.

4 And the question is, should my client lose the
5 opportunity to vindicate her rights because the trustee, during
6 the 341 hearing, didn't decide to go a little deeper and ask
7 who these people were that were the, quote, principals of SS --
8 of SF Night Life. And I think by making that decision by not
9 going -- if he would have gone deeper and decided to ask who
10 those people were, the names -- another admission would have
11 come up.

12 But, unfortunately, those questions weren't asked, and
13 I don't believe it's proper for my client to lose this -- to
14 not have the ability to pursue this lawsuit, plus forgo or
15 forfeit the money already spent because the trustee decided not
16 to investigate further.

17 THE COURT: Mr. Cumming, let me pose a couple of
18 questions to you.

19 And I'm looking back again at the schedules, Schedule
20 B, item twenty-one. There's a reference to a "Potential
21 Lawsuit vs. SS Nite Life" located at 13 Norfolk, San Francisco,
22 94103. You agree that that does not fully and properly put the
23 trustee on notice as to Mr. Breitman and these other entities.
24 Your contention is that this occurred at the testimony of the
25 meeting of creditors.

1 Do I have the argument right?

2 MR. CUMMING: Partially, Your Honor.

3 I think when -- when we decided to put the reference
4 SS Nite Life, the -- the lawsuit was against the entity, but
5 there's also the principals, shareholders, representatives of
6 that company, as well.

7 And so it came out during the 341, that in addition to
8 SS Nite Life, there are -- other individuals that made up the
9 company were part of that, as well. So we didn't put SS Nite
10 Life and principals or -- and shareholders. We just put the
11 name of the corporation.

12 THE COURT: Right.

13 But all you've really identified as an adverse party
14 is SS Nite Life, right, in the schedules?

15 MR. CUMMING: Yeah. For purposes of Schedule B, we
16 just identified the corporate entity.

17 THE COURT: And your contention is, these are so
18 inextricably intertwined, that's sufficient disclosure.

19 MR. CUMMING: Well, my -- our position is -- we
20 identified the lawsuit. We discussed in great detail with the
21 trustee the nature of the lawsuit, how it arose, and that SS
22 Nite Life was not only the corporate entity but also the
23 individuals that made up the corporate entity, or the
24 principals.

25 THE COURT: Okay.

1 Anything else?

2 MR. CUMMING: Well, with respect to the scheduling of
3 the lawsuit, no, Your Honor.

4 But there would be, of course, the other issue about
5 identifying debtor's interest in Vodka from Around the World,
6 which I would like to briefly address and --

7 THE COURT: Yes, go ahead. And let's take them all at
8 one time.

9 So, please proceed, Mr. Cumming.

10 MR. CUMMING: Thank you, Your Honor.

11 Well, I did, again, have an opportunity to review the
12 Court's tentative ruling, and I am familiar with the relevant
13 case law.

14 With respect to the statement of financial affairs and
15 identifying Vodka in that location and not on Schedule B, I
16 think what -- what needs to be perhaps emphasized is at the
17 time of the bankruptcy filing, Vodka from Around the World had
18 no assets. It was a closed business, and there were no assets
19 to schedule.

20 The Court's tentative made a reference to the fact
21 that even if that's the case, the business might need to be
22 wound up and there could be some assets that might need to be
23 sold.

24 And, therefore, a different approach could have been
25 scheduling the assets as unknown. I suppose that --

1 THE COURT: What's the trustee selling then if
2 there -- you're telling me there's nothing there -- there was
3 nothing there on the date of the petition? I guess I don't
4 understand what the trustee is selling, if that's true.

5 MR. CUMMING: Yeah. The date of the petition there
6 were no physical tangible assets and --

7 THE COURT: But there was an interest in an LLC.

8 MR. CUMMING: Yeah, there was an interest in an
9 LLC --

10 THE COURT: Isn't that the asset?

11 MR. CUMMING: Well, the LLC had no assets.

12 THE COURT: Well, right.

13 But if you have a -- you have an interest in an LLC,
14 isn't the asset the interest in the LLC? And you may say it
15 has no value or you may say it has unknown value or you may say
16 marginal value, but that still is an asset, isn't it?

17 MR. CUMMING: Well, if -- if the -- if the corporate
18 entity has any tangible assets, then I think it'd be proper in
19 Schedule B to say, you know, what it might be or, perhaps,
20 "unknown."

21 But I think what's unique about this specific asset or
22 this specific corporation or LLC, is that it didn't have any
23 tangible assets. So the idea was to take that and identify it
24 in the statement of financial affairs, identify when the
25 business started, when it stopped.

1 And so even putting "unknown" as the value is really
2 not correct because there was no asset at that time. And that
3 was the rationale for putting the statement -- that was the
4 rationale for putting -- or identifying Vodka from Around the
5 World in the statement of financial affairs.

6 THE COURT: And so now -- now the LLC has acquired
7 assets and is moving forward.

8 MR. CUMMING: Well, the LLC more recently -- 'cause
9 remember that the debtor only had -- she had a seventy percent
10 interest in this LLC. There were other individuals that had an
11 interest in the company and wasn't till later that the LLC
12 desired to pursue this lawsuit.

13 But at the time of filing, there was no tangible
14 assets that could be sold, and that was the rationale to why it
15 was put in the statement of financial affairs.

16 THE COURT: Well, but aren't you contradicting
17 yourself?

18 You say it has a cause of action, but it has no
19 value. And the answer is, it has the cause of action. Isn't
20 that the value? Now, you can argue it's unknown, but isn't --
21 first of all, shouldn't we be focusing on the ownership in the
22 LLC?

23 And second of all, it does have something of value.
24 It has a cause of action. It may not be liquidated, but it
25 still owns it. We can argue about whether it's worth anything

1 or how much, but that's an asset, isn't it, of the LLC?

2 MR. CUMMING: Well, I -- I understand the Court's
3 position on that, and I did give that some thought.

4 And I think in response to that, Your Honor, is at
5 that time it was -- at the time in which the bankruptcy
6 documents were filed, the LLC, as the corporate entity, more
7 specifically, the members, whether -- whether they were aware
8 of it, whether they decided to pursue it, you know, it just
9 wasn't -- wasn't something that was necessarily on the radar
10 screen, per se.

11 THE COURT: But they did have the cause of action,
12 right?

13 MR. CUMMING: In -- well, from a statute of
14 limitations perspective, a breach of contract, whether it
15 existed at that time, hard to say. I don't know if it was a
16 valid, enforceable cause of action at that point in time, and
17 that's -- that's the issue.

18 THE COURT: Okay. Very well.

19 Anything else, Mr. Cumming?

20 MR. CUMMING: Yes, Your Honor. A couple other points,
21 and I'll -- I'll be brief.

22 With respect to scheduling assets, my moving papers
23 discuss -- discuss two different types of cases. There are
24 cases in which if an asset isn't scheduled, then it's not part
25 of the -- it remains a part of the bankruptcy estate if a

1 bankruptcy case is ultimately closed.

2 However, the case which I referenced in my papers,
3 Morlen, M-O-R-L-E-N, v. Universal Guaranteed Life Insurance,
4 298 F.3d 609, that case stands for the proposition that
5 it's not a completely rigid analysis. What I mean by that is,
6 if an asset isn't scheduled, it doesn't by default not become
7 part of the bankruptcy estate.

8 In that case, in the Morlen case, the court ruled that
9 a -- the plaintiff in this case, or in this case the debtor,
10 filed a class action lawsuit, and the class action wasn't
11 properly identified on the schedules. However, the court
12 ultimately determined that the debtor could pursue that
13 because -- a couple reasons. One, the existence of the lawsuit
14 was discussed during the meeting of creditors.

15 In this case, the trustee specifically made the
16 decision that it was not going to pursue it, and the length of
17 time between the closing of the bankruptcy case and the
18 decision to --

19 THE COURT: It's a laches case, though, isn't it?

20 MR. CUMMING: Laches is one factor that the court
21 determined or relied upon in making the decision that the cause
22 of action was part of the bankruptcy estate and, therefore, the
23 debtor could pursue it. Laches is one of the factors.

24 But the other factors, Your Honor, is that also that
25 it was discussed during the 341, and also the trustee made the

1 decision that it was not going to pursue it. And in this case,
2 Your Honor, there was much discussion about this -- potential
3 assets and her decision to attempt to move forward.

4 I just think the Morlen case -- the Morlen case
5 ultimately stands for the proposition that just because an
6 asset isn't on a schedule doesn't, by default, mean it's not
7 properly scheduled. I think you have to look more at all the
8 relevant facts to determine if the court, or in this case the
9 trustee, had notice and had an opportunity to further
10 investigate.

11 And in this case, there was lots of discussion about
12 it. And then we tried to do our best in the moving papers to
13 show that there was a lot of discussion about it; and we think
14 at the end of the day, it was properly scheduled.

15 THE COURT: Thank you, Mr. Cumming.

16 I'm going to turn next to Mr. Chandler and then to Ms.
17 Holder for thoughts on this.

18 Mr. Chandler? Mr. Chandler?

19 MR. CHANDLER: Yes, Your Honor.

20 THE COURT: Did you wish to be heard on the motion to
21 sell?

22 MR. CHANDLER: If the Court will entertain argument,
23 yes.

24 THE COURT: Well, I've heard from Mr. Cumming. I'd
25 certainly be happy to hear your response.

1 MR. CHANDLER: Well, Your Honor, I appreciate his
2 argument. Mr. Cumming's argument was very interesting, but I
3 don't think that's how we fill out schedules in these cases.

4 We're -- we're required to give the trustee enough
5 information that the trustee can look at the schedules and
6 figure it out from the schedules. He doesn't have to make an
7 independent evaluation.

8 In this case, all I know about is what is in the
9 schedules. And the schedules are a far cry from disclosing
10 either one of these assets, as the Court pointed out, with the
11 LLC.

12 The LLC held the cause of action against parties that
13 weren't disclosed in the Schedule B, and I'm not quite sure how
14 the trustee was supposed to imaginatively determine that
15 without further investigation, which the debtor was not very
16 forthcoming on any of her information.

17 Even the use of her name has -- has -- has become a
18 problem in the conflict search that Ms. Holder did because she
19 uses different names at different times. And in this case, she
20 used a name that she hadn't used before and doesn't typically
21 use, and so I think there -- there is some inference there that
22 it was her intent not -- not to schedule these changes.

23 But in any event, the -- I think the Court's analysis
24 in the tentative is exactly correct. It's not -- it's not a
25 disclosure of any one of these assets. The trustee wouldn't

1 have known where to go, where to look, what to do to evaluate
2 the merits of this.

3 And Mr. Cumming argues that it suddenly became known
4 to the debtor. I'm not quite sure how that happened that it
5 suddenly became known and came into focus and she couldn't have
6 told the trustee about it. You can always call up the trustee
7 later and say, "Gees, I found this -- this nuance in the
8 contract, and I think there might be a claim here. Are you
9 interested?" That didn't happen.

10 Basically, what she's trying to do is trying to run
11 everybody sideways so nobody is looking at the real facts in
12 the case. The real facts in the case is she didn't disclose
13 it. She's trying to pursue this cause of action, and we'll
14 get -- in the next phase, we'll get to what the value of that
15 might be.

16 But I -- I think there's just no question that she --
17 she did not disclose it. And what she put in the statement of
18 affairs, again, just like the use of her name, is evidence of
19 her intent to conceal.

20 For the life of me, I don't understand why the trustee
21 didn't go after a 727 claim in this -- to revoke the discharge
22 of this case. It was a very short window where he could have
23 done that, and I can't understand why he didn't do that.

24 But certainly what the debtor did in this case was not
25 something that was really contemplated by the code.

1 Nor was it within the mainstream of the practice in
2 the -- in the Eastern District or in the -- in the Northern
3 District. It's just not within the mainstream of practice. We
4 don't do that, and there's good reason. We put the trustee on
5 notice of these things so when -- when that discharge is
6 entered and that case is closed, we all know where we stand.

7 That's all I have. Thank you.

8 THE COURT: Thank you.

9 Ms. Holder, do you wish to be heard?

10 MS. HOLDER: Yes, Your Honor, a few things.

11 First, I would submit on the tentative ruling and ask
12 the Court to enter the tentative as the order of the Court.

13 Second, I was not served with the opposition, and I
14 don't waive that lack of service.

15 Regarding the trustee's knowledge, the trustee had no
16 complaint at the time that he conducted the 341 meeting. The
17 complaint was filed well after the fact, so the trustee
18 couldn't have had any knowledge of the information contained in
19 the complaint.

20 I've read the meeting of creditors transcript, some
21 forty odd pages. Vodka from Around the World is never
22 mentioned. The only thing mentioned, when talking about
23 business enterprises, is Ms. Agha saying, "Me, I, mine." So
24 there's never any disclosure of an active LLC trying to recover
25 assets.

1 As a side note, the discussion of SF Night Life and
2 its principals being contemplated as potential defendants, it's
3 my understanding that Mr. Breitman and BBG are a -- he's a real
4 estate broker, and that would be an agent and certainly not a
5 principal of any company.

6 On the issue of who's responsible for disclosing
7 assets versus ferreting out assets, I think the responsibility
8 is firmly on the debtor. And the trustee certainly is required
9 to investigate assets that he has reason to know exist, which
10 he clearly did through forty some pages of a meeting of
11 creditors transcript, but the asset simply wasn't scheduled.

12 And the trustee did an investigation. It wasn't
13 ferreted out because maybe it was intentionally hidden. Maybe
14 it wasn't, but it wasn't described anywhere. And so it wasn't
15 disclosed, so it was not abandoned upon the closing of the
16 case.

17 And regarding the debtor's interest in Vodka from
18 Around the World and whether it had any value on the petition
19 date, clearly the debtor believes that this claim has value now
20 and the claim should have been scheduled, as well as the
21 interest in the LLC.

22 That's all I have, Your Honor.

23 THE COURT: Thank you.

24 I am ready to rule, and I'm going to make the
25 tentative the ruling. The sale will be approved.

1 THE DEBTOR: Excuse me, Your Honor.

2 THE COURT: I'm sorry, Ms. Agha, no. The answer is, I
3 told you at the beginning you do not get to speak. Your
4 attorney speaks for you.

5 THE DEBTOR: Can I dismiss my attorney at this
6 point --

7 THE COURT: No, you cannot, Ms. --

8 THE DEBTOR: -- because I think he has not represented
9 me adequately.

10 THE COURT: Ms. Agha, we are going to rule on this at
11 this time, and you can dismiss him later, but I'm not going to
12 hear from you.

13 The motion is granted.

14 The law is quite clear that the knowledge of the
15 trustee is irrelevant, and I note the Navistar International
16 Transportation Corporation case cited at 950 F.2d 524,
17 pertinent page being 526. It's an Eighth Circuit case from
18 1991.

19 The question is whether or not these assets were
20 scheduled properly. "Properly scheduled" under 554, in my
21 view, means full and fair disclosure. To put it in another
22 fashion, it means all of the cards on the table face up at the
23 outset. That is not the case here. The scheduling of the
24 lawsuit only indicates it was against SS Nite Life.

25 The Pace case, which is Ninth Circuit Bankruptcy

1 Appellate Panel case of 146 B.R. 562 at 566, makes clear that
2 rights that are intertwined are not disclosed by partial
3 disclosure so I do not find the lawsuit to have been
4 disclosed. It remained property of the estate.

5 The LLC was also not disclosed. It's not listed in
6 the schedules. The listing in the statement of financial
7 affairs is not sufficient. There was an interest in the LLC,
8 and that is sufficient. The debtor could argue about the value
9 of that, but it should have been listed and it was not.

10 Moreover, the law in this circuit is quite clear that
11 postpetition appreciation of an asset belongs to the Chapter 7
12 trustee, and that is what apparently has occurred here. Or
13 maybe it hasn't appreciated, but it has just become more
14 liquidated. Either way, this is the trustee's asset to sell so
15 we are going to proceed with the sale.

16 That said, we have identified a buyer as BBG,
17 Limited. Sale price is fifteen thousand dollars, a private
18 sale with an overbid opportunity.

19 Other than BBG, is there anyone in the courtroom or is
20 there anyone on the telephone that wishes to serve as a bidder
21 in this matter?

22 You wish to be a bidder, Ms. Agha?

23 THE DEBTOR: Correct.

24 THE COURT: Very well.

25 You will step up to the podium, please.

1 Mr. Cumming, are you hearing this?

2 MR. CUMMING: Yes, Your Honor.

3 THE COURT: Your client wishes to serve as a bidder in
4 this auction. Are you aware of that?

5 MR. CUMMING: Yes, I am, Your Honor.

6 THE COURT: Very well.

7 Is there anyone else who wishes to serve as a bidder,
8 other than --

9 And, Mr. Breitman, please step forward, as well.

10 Is there anybody besides the debtor -- and I think the
11 actual bidder is BBG, Limited, not yourself personally.

12 Is that right, Mr. Breitman?

13 MR. BREITMAN: That's correct.

14 THE COURT: You're welcome to sit there next to Ms.
15 Agha or next to Ms. Holder, if that's to your preference.

16 MR. BREITMAN: I'll go sit next to Ms. Holder.

17 THE COURT: Is there anybody else who wishes to serve
18 as a bidder in this matter?

19 I hear no response.

20 Ms. Holder, please assist me, if you would.

21 Was there any prequalification or minimum bid terms
22 that your notice set forth?

23 MS. HOLDER: Yes, Your Honor.

24 Anyone intending to bid must bring a fifteen hundred
25 dollar refundable deposit in certified funds to court, and I

1 understand that Ms. Agha has brought fifteen hundred dollars --

2 THE COURT: Would you like to inspect that to ensure
3 that you -- that it meets your criteria?

4 MS. HOLDER: I would ask the trustee to do that.

5 THE COURT: Okay. Mr. Vetter?

6 And Ms. Agha will turn the cashier's check -- is that
7 what it is, Mr. Vetter?

8 MR. VETTER: Yes, sir. A cashier's check in the
9 amount of fifteen hundred dollars, correct.

10 THE COURT: And you're satisfied as that meeting the
11 qualification?

12 MR. VETTER: Yes, I am.

13 THE COURT: Mr. Vetter will hold that until the end of
14 the auction. If you are the unsuccessful bidder, he will
15 return it to you.

16 Is there any desire or intention to separate these --

17 Yes, ma'am?

18 THE DEBTOR: So may I make a comment, please. I
19 really --

20 THE COURT: We're going to be bidding on this asset.
21 We're not going to take argument.

22 THE DEBTOR: But, sir, just one comment.

23 THE COURT: No. We're going to sell this asset. And
24 if you're not going to participate by the rules I've set, I'll
25 have the bailiffs remove you.

1 So, the question is, do you wish to be a bidder or
2 not?

3 THE DEBTOR: I wish to be a bidder.

4 But I think I'm the only legitimate bidder in this,
5 not BBG, Ltd.

6 THE COURT: Why?

7 But I'm not going to re-entertain argument of
8 something we've already done.

9 THE DEBTOR: There is no re-entertainment of
10 argument.

11 I'm just stating the fact that this lawsuit was never
12 advertised publicly. It was privately told to BBG, Ltd. that,
13 hey, this lawsuit is happening so you need to bid on it.

14 THE COURT: Sure, it was. There was a notice that was
15 given to all creditors in the case.

16 Did this not go out to everyone, Ms. Holder?

17 MS. HOLDER: Yes, Your Honor.

18 Actually, BBG approached the --

19 THE COURT: So it was advertised.

20 THE DEBTOR: BBG, Ltd. is not a creditor.

21 THE COURT: Well, it went out to BBG and all --
22 anybody else like BBG.

23 So the answer is, it at least went to all creditors so
24 yes, there was -- there was notice.

25 THE DEBTOR: But BBG, Ltd., is a defendant in the

1 lawsuit, not a creditor.

2 THE COURT: I understand that, and --

3 MS. HOLDER: Your Honor, if I may be heard.

4 THE COURT: Sure.

5 MS. HOLDER: I also gave notice to all the other
6 members of the Vodka Around the World, LLC, because I thought
7 they may be potential buyers of the LLC interest, and they are
8 not here.

9 THE COURT: So we have it noticed to creditors, we
10 have BBG, and we have the other Vodka owners noticed.

11 MS. HOLDER: Yes, Your Honor.

12 THE COURT: Tell me why that is not --

13 THE DEBTOR: BBG is not a -- a creditor --

14 THE COURT: Doesn't have to be.

15 THE DEBTOR: BBG is a defendant.

16 THE COURT: Doesn't have to be.

17 THE DEBTOR: So was SF Night Life also notified? Did
18 you notify SF Night Life?

19 Did you notify the other potential defendants, Tony
20 Carachi, because BBG knew that Tony Carachi had had a case
21 against SF Night Life, which he did not disclose to me at the
22 time of --

23 THE COURT: Ms. Agha -- Ms. Agha -- Ms. Agha, it's a
24 question. I don't mind you asking the question, but I'm not
25 going to take these monologues.

1 So the question to Ms. Holder is, did you notify --

2 THE DEBTOR: SF Night Life and Tony Carachi, who
3 is --

4 THE COURT: Just those two? Is that all you want to
5 know, if they were notified?

6 THE DEBTOR: Correct.

7 And the Grossman brothers.

8 THE COURT: Okay.

9 Ms. Holder, are you able to answer this question?

10 MS. HOLDER: I could refer to the proof of service,
11 Your Honor. I notified everyone that was required to be
12 notified under the Rules of Civil Procedure --

13 THE COURT: Let's take a look at the --

14 MS. HOLDER: -- and additional people that I thought
15 might be interested in purchasing the asset.

16 THE COURT: Would the -- would you have included on
17 the proof of service persons who might be bidders but were not
18 necessarily entitled to notice by law? In other words, would
19 you have necessarily listed them on the certificate of
20 service?

21 MS. HOLDER: Yes, if I was aware of their existence
22 and their interest in the asset --

23 THE COURT: In other words, you didn't just send them
24 a letter. You included them on the proof of service --

25 MS. HOLDER: Yes, Your Honor.

1 THE COURT: Okay.

2 Let's take a look at the certificate of service.

3 Okay. I see a proof of service with what appears to
4 be the Court's matrix.

5 There is a second proof of service, which includes the
6 following persons: The buyer's attorney, who is a Peter
7 Zouras, Z-O-U-R-A-S; yourself, ma'am, Ms. Agha; Jamon,
8 J-A-M-O-N, Hicks of the Cochran firm in Los Angeles; Mr.
9 Chandler; Mr. Vetter; LLC member Muhammad Ashraf -- I think.
10 He's a physician apparently in Bakersfield.

11 THE DEBTOR: He's a colleague of mine. I'm also a
12 physician here.

13 THE COURT: Okay. But he's an LLC member?

14 THE DEBTOR: Correct.

15 THE COURT: Okay.

16 I'm seeing Mr. Breitman with BBG.

17 I'm seeing -- and I'm going to get this name wrong,
18 and I'm sorry. It's S-A-T-Y-A, last name, A-R-Y-A, also a
19 physician here in Bakersfield.

20 THE DEBTOR: Correct.

21 THE COURT: And then I see a Rosen Agelov,
22 A-G-E-L-O-V. I see Mr. Cumming. I see LLC member S-Y-E-D,
23 last name, S-A-G-H-I-R. I see --

24 I think this is another name for you, ma'am. It's
25 Agha Kahn, K-A-H-N.

1 THE DEBTOR: That's me, Your Honor.

2 THE COURT: Right. I see you in a couple of places.

3 MS. HOLDER: Your Honor, that's the agent for service
4 of process for the LLC under the --

5 THE COURT: Right. So you're saying who was missed
6 that should have been noticed?

7 THE DEBTOR: SF Night Life that was so -- that was
8 mentioned everywhere in the bankruptcy papers that -- SF Night
9 Life was not mentioned.

10 In addition to other people --

11 THE COURT: Your attorney gets to do the argument.
12 I'm going to let you ask questions because you're a bidder, but
13 I'm not going to entertain argument from you.

14 So who else -- just so that your attorney knows, who
15 else do you contend should have been noticed? And then I'll
16 hear from your attorney.

17 THE DEBTOR: SF Night Life.

18 THE COURT: Who else?

19 THE DEBTOR: Tony Carachi.

20 THE COURT: Tony Carachi.

21 THE DEBTOR: Grossman brothers.

22 THE COURT: How do you spell "Carachi"?

23 THE DEBTOR: C-A-R-A-C-H-I.

24 THE COURT: Thank you.

25 The Grossman brothers.

1 And who else?

2 THE DEBTOR: Bob and Gary Grossman.

3 THE COURT: Bob and Gary Grossman. Okay.

4 Who else?

5 THE DEBTOR: I think, potentially, this should have
6 been a public notice. It's an attempt for the trustee to
7 collect --

8 THE COURT: I'm not going to take argument from you.
9 I'm going to warn you one more time. I've asked you to
10 identify the people that you think should have been.

11 I'm going to hear from your attorney; and if he wishes
12 to make the argument -- where you have an attorney, the
13 attorney gets to speak for you.

14 Mr. Cumming, did you wish to be heard on the notice
15 issue?

16 MR. CUMMING: Yes, Your Honor.

17 I think that the -- the client's concerns and our
18 concerns about the notice is just making sure that the proper
19 individuals receive notice about this opportunity to sell the
20 asset. SF Night Life, you know, had a --

21 THE COURT: I understand the argument.

22 The question is, why does this make it deficient?
23 We've given notice to all creditors and given notice to Mr.
24 Breitman and to several other parties involved in this. That
25 does not look like insufficient notice to me.

1 Tell me why these four or five missing names renders
2 this sale inappropriate.

3 MR. CUMMING: I'm not in a position now to state why
4 the absence of these names would render it insufficient. I'm
5 just -- I wasn't -- I wasn't prepared to simply address these
6 issues.

7 THE COURT: Very well.

8 The objection is overruled. We are proceeding with
9 the sale.

10 Ms. Agha, you intend to be a bidder, and Mr. Vetter
11 has your check.

12 Is there an overbid price, Ms. Holder?

13 MS. HOLDER: Your Honor, the proposed bidding
14 procedures were to bid in five hundred dollar increments. And
15 I would note that the trustee does have the deposit from BBG,
16 Limited, for fifteen hundred dollars also.

17 THE COURT: Very well.

18 So it will be five hundred increments.

19 And does anybody wish to segregate these assets or is
20 the desire to purchase them in a group, en masse? As I
21 understood it, the trustee noticed this up for the sale of both
22 assets together.

23 This is the way we're proceeding, Ms. Holder?

24 MS. HOLDER: Yes, Your Honor.

25 THE COURT: Mr. Breitman?

1 MR. BREITMAN: I guess. I'm not sure of the
2 consequences. Maybe my attorney can --

3 THE COURT: Mr. Chandler?

4 MR. CHANDLER: Your Honor, that's my understanding.

5 THE COURT: Ms. Agha, is there any reason that's not
6 right? We're talking about both assets here, right?

7 MR. CUMMING: Both assets, Your Honor.

8 THE COURT: Very well. We're going to proceed.

9 We have the fifteen -- we are going to start at
10 fifteen thousand dollars, and the offer's from BBG.

11 And, Mr. Breitman, you are speaking not personally but
12 on behalf of BBG, Limited, true?

13 MR. BREITMAN: True.

14 THE COURT: Okay.

15 So is fifteen thousand. We're going to go in five
16 hundred dollar increments.

17 Ms. Agha, did you wish to better the offer of fifteen
18 thousand?

19 THE DEBTOR: I certainly would, Your Honor. I would
20 like to better the offer to fifteen hundred, plus ten percent
21 of my winnings from --

22 THE COURT: Fifteen thousand five hundred.

23 THE DEBTOR: No. From what's collected from this
24 lawsuit because this lawsuit is an asset.

25 So, what's collected at the end of the judgment, I

1 want to give ten percent of that to the trustee. And the
2 previous judgment in a similar lawsuit that Mr. Breitman was
3 aware of --

4 THE COURT: Now this is a number. All we're doing is
5 a number.

6 So you're going to say fifteen thousand five hundred,
7 plus you want to give a share of the net proceeds of the
8 lawsuit.

9 And I'm not going to allow that. We're going to do
10 this in straight dollars, unless Ms. Holder is willing to
11 consent to that, and I doubt she will.

12 MS. HOLDER: We do not consent to that, Your Honor.

13 THE COURT: Very well. We're going to proceed in
14 dollars alone.

15 So you are bidding fifteen thousand five hundred,
16 Ms. -- Dr. Agha?

17 THE DEBTOR: Sir, the previous lawsuit was -- seven
18 hundred thousand dollars was the judgment on that, if Ms.
19 Holder does not realize it, so she would never make a lot of
20 money --

21 THE COURT: I'm not taking -- I'm not taking argument
22 from you. And I told you this, and I'm not going to tell you
23 again. I'm just going to ask the bailiff to remove you.

24 So the answer is, we're going to do this in dollars.

25 You are bidding fifteen thousand five hundred dollars,

1 true?

2 THE DEBTOR: Correct.

3 THE COURT: Mr. Breitman --

4 MR. BREITMAN: Yes.

5 THE COURT: -- do you wish to better that?

6 MR. BREITMAN: I'm sorry? What -- I didn't hear

7 what --

8 THE COURT: Fifteen -- the bid is fifteen thousand

9 five hundred from Dr. Agha.

10 Did you wish to better that?

11 MR. BREITMAN: Yes -- yes, Your Honor. I'll raise it

12 by five hundred.

13 THE COURT: Sixteen thousand, then?

14 MR. BREITMAN: Yes, that's correct.

15 THE COURT: Dr. Agha?

16 THE DEBTOR: Sixteen thousand five hundred.

17 THE COURT: Mr. Breitman?

18 MR. BREITMAN: Seventeen thousand.

19 THE DEBTOR: You know what, Your Honor? I'm sorry. I

20 wish to be excused from this bidding. I just -- I'm sorry. I

21 do not want to play this game. You can just give it to him for

22 fifteen hundred dollars. I withdraw every single bid.

23 THE COURT: Okay.

24 THE DEBTOR: I'm sorry. I am not because -- I will be

25 appealing this thing because Mr. Jeffrey Vetter has unanimously

1 made sure that the only bidder in this case be Mr. Breitman and
2 BBG, Ltd. who is the defendant --

3 THE COURT: Dr. Agha?

4 THE DEBTOR: I'm sorry. I wish to be excused. I do
5 not want to play these games.

6 THE COURT: You are excused.

7 So then we are back to the original fifteen thousand
8 dollar offer; is that right?

9 THE DEBTOR: I'm sorry. Fifteen hundred. I
10 withdrew. Fifteen hundred.

11 THE COURT: I understand.

12 I'm speaking to Mr. Breitman.

13 MR. BREITMAN: Yes.

14 THE COURT: We're back --

15 Or is it your view that it's now higher, Ms. Holder?

16 I think we're back at fifteen thousand, unless you can
17 convince me otherwise.

18 MS. HOLDER: May I have a moment to consult with my
19 client.

20 THE COURT: You may.

21 MR. VETTER: Your Honor, I'm going to return --

22 THE COURT: The record is --

23 Dr. Agha, would you like your check?

24 Mr. Vetter? Thank you.

25 Record will reflect that Mr. Vetter --

1 THE DEBTOR: Your Honor, it's a fake drama. It's a
2 fake --
3 THE COURT: Dr. Agha, you -- Dr. Agha --
4 Mr. Welsh, would you please get the CSO.
5 MS. HOLDER: Your Honor, the trustee --
6 THE COURT: Just a moment, please.
7 COURT SECURITY OFFICER: Yes, Your Honor?
8 THE COURT: Dr. Agha, who just left, did you see her?
9 COURT SECURITY OFFICER: Yes, I do, Your Honor.
10 THE COURT: She has voluntarily left the room, and
11 that is fine.
12 If she wishes to return, that is acceptable; but I
13 would like you in the room with her.
14 COURT SECURITY OFFICER: Thank you, Your Honor.
15 THE COURT: Thank you.
16 Ms. Holder, we're to you.
17 And I think the question is, Mr. Breitman, you still
18 wish to serve as a bidder?
19 And I think the question is, is it fifteen or is it
20 seventeen?
21 MS. HOLDER: The trustee would accept the fifteen
22 thousand dollar initial offer --
23 THE COURT: Fine.
24 And that is your offer, Mr. Breitman?
25 MR. BREITMAN: Yes, Your Honor.

1 THE COURT: BBG's, anyway.

2 MR. BREITMAN: BBG's, correct.

3 THE COURT: Very well.

4 Is there anybody else who wishes to be heard on this
5 matter?

6 There is no one.

7 The tentative is the ruling. BBG, Limited is --
8 excuse me.

9 MS. HOLDER: Thank you, Your Honor.

10 THE COURT: BBG is the approved buyer at fifteen
11 thousand.

12 There being no other buyers, we won't take a back-up
13 buyer since Dr. Agha has indicated her willingness to -- her
14 unwillingness to proceed.

15 You will prepare the order, Ms. Holder.

16 Is there anything else that we need to do this
17 afternoon?

18 MS. HOLDER: I sure hope not, Your Honor.

19 THE COURT: Thank you very much, and that will be the
20 order.

21 Mr. Welsh, thank you for your assistance a moment ago.

22 MR. WELSH: Anytime, Your Honor.

23 MR. CHANDLER: David Chandler for BBG.

24 Thank you, Your Honor, for Your Honor's patience.

25 MR. BREITMAN: Thank you, Your Honor.

1 THE COURT: Mr. Cumming, nothing further from you?

2 MR. CUMMING: Nothing further, Your Honor, and thank
3 you.

4 THE COURT: Thank you.

5 (The proceedings were concluded.)

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1 I, LINDA A. GORMAN, Registered Merit Reporter and
2 C.S.R. License #12693, do hereby certify the foregoing
3 transcript as true and correct.

4

5

DATED: February 18, 2013

6

By:/s/Linda A. Gorman, RMR
Certified Shorthand Reporter #12693

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**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF CALIFORNIA
CIVIL MINUTES**

Case Title :	Salma H. Agha	Case No : 10-16183 - A - 7
		Date : 1/23/13
		Time : 1:00
Matter :	[72] - Motion/Application to Employ Lisa Holder as Attorney(s) [KDG-1] Filed by Trustee Jeffrey M. Vetter (morf)	UNOPPOSED
Judge :	Fredrick E. Clement	
Courtroom Deputy :	Gay Parker	
Reporter :	Linda Gorman	
Department :	A	

APPEARANCES for :

Movant(s) : Trustee's Attorney - Lisa Holder

Respondent(s) :

(by phone) Debtor(s) Attorney - William R. Cumming

Debtor - Salma H. Agha

MOTION was :
Granted

Final Ruling

Motion: Employ Klein DeNatale
Notice: LBR 9014-1(f)(2); no written opposition required
Disposition: Granted
Order: Prepared by moving party

No responding party is required to file written opposition to the motion; opposition may be presented at the hearing. LBR 9014-1(f)(2)(C). If opposition is presented at the hearing, the court may rule on the merits or set a briefing schedule. Absent such opposition, the court adopts this tentative ruling.

The court treats this as a motion under Rule 60(b) and grants the motion to reconsider the issue of Klein DeNatale's employment. But having considered the Supplement Declaration of Lisa Holder, January 2, 2013, ECF No. 97, the court approves the employment of Klein DeNatale. The firm's prior representation of debtor Salma Agha, concluding in 2005, does not present grounds for disqualification. 11 U.S.C. § 327(a), 101(14).

1 SALMA AGHA-KHAN, M.D.
 2 10001 Venice Boulevard
 3 # 402
 4 Los Angeles, California 90034
 5 Telephone: (949) 332-0330
 6 email: salmahagha@aol.com

7 Plaintiff in Pro Se

8 **UNITED STATES DISTRICT COURT**
 9 **CENTRAL DISTRICT**
 10 **WESTERN DIVISION**

11 SALMA AGHA-KHAN, MD
 12 an individual,

13 Plaintiff,

14 **vs.**

15 The United States of America;
 16 FREDRICK CLEMENT, an individual,
 17 and Judge of the United States
 18 Bankruptcy Court; JEFFREY VETTER,
 19 an individual, and Trustee of the
 20 United States Bankruptcy Court;
 21 BRUCE BREITMAN an individual; BBG
 22 Ltd, a corporation; LISA HOLDER, an
 23 individual and attorney in KDG;
 24 KLEIN DENATALE GOLDNER, a
 25 professional law corporation; The
 26 Estate of PETER J. ZOURAS for Peter
 27 Zouras an individual now deceased;
 28 Barry Goldner an individual and
 attorney in Klein DeNatale Goldner;
 Daivd N. Chandler an individual and
 an attorney at David N. Chandler PC;
 David N. Chandler PC, a corporation;
 CitiMortgage Inc, CR Title Services
 Inc; ReMax Real Estate Corporation;
 Debbie Banducci an individual and a
 Realtor Broker at ReMax Magic;
 ReMax Magic and Does 1 through 50
 inclusive

Defendants.

Case No. CV 14-03490 FMO (CWx)

SECOND AMENDED COMPLAINT:

1. **FRAUD (COMMON LAW AND STATUTORY);**
2. **USE OF FORCE TO STEAL PLAINTIFFS PROPERTY UNDER COLOR OF PROFESSIONAL RIGHT**
3. **VIOLATION OF 42 U.S.C. 1983; 1985;**
4. **VIOLATIONS OF CALIFORNIA CIVIL CODE SECTIONS 43, 51, AND 52;**
5. **NEGLIGENCE (VIOLATION OF STATUTE)**
6. **INTENTIONAL INFLICTION OF EMOTIONAL DISTRESS;**
7. **NEGLIGENT INFLICTION OF EMOTIONAL DISTRESS;**
8. **CONVERSION;**
9. **INTENTIONAL INTERFERENCE WITH PROSPECTIVE BUSINESS ADVANTAGE;**
10. **PUNITIVE DAMAGES**

HON: FERNANDO M. OLGUIN

SECOND AMENDED COMPLAINT Salma Agha-Khan vs. The United States
Case No. CV 14-03490 FMO (CWx)

Exhibit
 Page

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